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SPORTING EVENT LIQUOR LIC.

Senate Bill 611 with House committee amendment
First Analysis (6-10-93)

Sponsor: Sen. Mat J. Dunaskiss
Senate Committee: State Affairs and Military/Veteran Affairs
House Committee: Liquor Control

THE APPARENT PROBLEM:

Two major sporting events are planned for the Pontiac area in 1994: the World Cup Soccer Tournament and the Great Lakes Grand Prix. As host for these events, the City of Pontiac will have an opportunity to introduce Michigan to visitors from all over the world. The city has not had a chance to showcase itself and the state on such a large scale since 1982 when it hosted the Super Bowl and an estimated 150,000 football fans flocked to the city and the Silverdome. Now, as then, the city is planning some special events, including some based on a New Orleans/Mardi Gras theme, to extend the tournament and race festivities and attract more tourists into the city. In 1982, a five-block pedestrian plaza called Bourbon Street North was created in old downtown Pontiac and the renovated vacant storefronts in the project were used by a number of southeastern Michigan's restaurateurs to feature their specialties. At the time, the Liquor Control Act was amended to permit the issuance of a limited number of special temporary liquor licenses for the Bourbon Street North project under the assumption that the restaurateurs would be more successful if they were able to offer wine and spirits to Super Bowl revelers. It has been suggested that similar temporary liquor license provisions would help ensure the success of the Great Lakes Grand Prix and the World Cup Soccer tournament.

THE CONTENT OF THE BILL:

The bill would amend the Michigan Liquor Control Act to authorize the liquor control commission (LCC) to issue special sporting event licenses for the sale of alcoholic beverages for on-premises consumption. The premises to be licensed would have to be in a theme area in the central business district of a city of at least 70,000 population. The city would have to be an official host of a national

or international sporting event, and the theme area would be designated by the city in connection with the event. For an event to qualify, it would have to be reasonably expected that the event would attract a substantial number of out-of-state tourists to the city.

Licenses would be issued only to event promoters or holders of valid Michigan licenses for on-premises consumption. The LCC would choose from among a list of applicants submitted by the city. The commission would issue no more than the number of licenses that the city recommended for the theme area(s); up to 40 licenses would be allowed at the same time.

A license would cost \$100 and would be for designated time periods that included the sporting event and activities associated with it; a license could not be for a period of more than 30 consecutive days. Licenses would not be transferable as to ownership or location. The city would certify that all premises to be licensed under the bill comply with applicable state and local building, safety, and health laws, rules, and regulations.

MCL 436.17j

FISCAL IMPLICATIONS:

According to the Senate Fiscal Agency, the bill is not expected to increase the administrative or regulatory workload of the Liquor Control Commission or the Department of Commerce. The filing fee should generate enough revenue to cover any unexpected expenses related to the enforcement of terms of any licenses granted under the legislation. (5-25-93)

Senate Bill 611 (6-10-93)

HOUSE COMMITTEE ACTION:

As passed by the Senate, the bill would have included cities with populations of at least 35,000. The House Liquor Control Committee amended the bill to raise the population threshold to 70,000.

BACKGROUND INFORMATION:

An identical bill, House Bill 4700, passed the House on June 2, 1993.

ARGUMENTS:

For:

The Grand Prix and the World Cup Soccer Tournament are expected to draw tens of thousands of tourists to the Pontiac area. The city and its citizens can expect to benefit greatly from the increased business and the influx of dollars to the local economy. At least one source estimates that the southeastern part of the state could realize \$160 million from the four games at the Silverdome. It is imperative, therefore, to the city's image that it be able to showcase its fine culinary establishments. The bill would enable the city to satisfy the demands of the expected crowds and to foster a festive, street-fair type of atmosphere that would help significantly in making the events unqualified successes. Indeed, many of the bill's provisions--including those pertaining to the location of the premises to receive the special licenses, the duty of the city governing body to submit to the LCC a list of the applicants, and the requirement that the applicants comply with applicable state and local building, safety, and health laws and regulations--are the same as those of Public Act 187 of 1982, which provided for the issuance of special liquor licenses for Bourbon Street North during the Super Bowl.

Response:

While prompted by upcoming events in Pontiac, the bill is not necessarily limited to those situations. Any city that can meet the criteria set forth in the bill could avail itself of the opportunity for these special licenses.

Against:

There are many bar owners and restaurateurs in the city who have invested a great deal of time, money, and effort in establishing and building their businesses. It would be unfair to allow nonresident liquor licenses to set up makeshift food establishments during the race and tournament

events, obtain special liquor licenses, and, essentially, steal customers away from the existing local establishments.

Response: The World Cup Soccer Tournament is probably the largest sporting event in the world. If the games at the Silverdome draw the crowds that are expected, there will be more than enough business for everyone. Moreover, if more refreshment facilities would mean shorter waiting lines, better service, and plentiful amounts of food and drink, the atmosphere would more likely be festive, rather than violent or raucous, and the tourists would be more inclined to return to Pontiac and Michigan.

Against:

Anytime there is increased consumption of alcohol mixed with large crowds of people, there is potential for problems. There were violence and vandalism in downtown Pontiac in 1982 when the Silverdome hosted the Super Bowl, and it is reasonable to expect that the street sale of alcoholic beverages during the Grand Prix and especially during the soccer games could induce fans to engage in rowdy brawls or even the type of violent behavior that has plagued European cities that have hosted soccer matches. Perhaps Pontiac should follow the example of Detroit, which banned the street sale of alcoholic beverages after its 1991 Fourth of July fireworks celebration erupted into violence. The ban is credited with making the 1992 Fourth of July celebration more peaceful.

Response: Pontiac will take the necessary precautions to avoid the violence that has occurred at European soccer tournaments. Although the city experienced some isolated incidents of violence during the 1982 Super Bowl events, there were no widespread problems. Moreover, the city has had time to study the problems that it and other cities have encountered while hosting major events and to plan both prevention and response measures.

POSITIONS:

The Liquor Control Commission took a position in support of House Bill 4700, which is identical to Senate Bill 611. (5-4-93)

The Michigan Interfaith Council on Alcohol Problems took a position in opposition to House Bill 4700, which is identical to Senate Bill 611. (5-4-93)